



U.S. Department of Justice

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EVENT: Sentenced

Defendant: Booker T. Gregory, Jr.

Detroit Man Sentenced for False Refund Claims to IRS

Booker T. Gregory, Jr., of 50, Detroit, Michigan, was sentenced today to 18 months in prison followed by two years of supervised release and was ordered to pay restitution in the amount of \$26,662.00 as a result of pleading guilty to making a false claim for a tax refund with the Internal Revenue Service, Acting United States Attorney Terrence G. Berg announced.

Mr. Berg was joined in the announcement by Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation Division.

Gregory pleaded guilty to an indictment charging him with conspiracy to defraud the Internal Revenue Service and seven counts of making a false claim for a tax refund.

According to court records, from 1998 through 2001, Gregory defrauded the Internal Revenue Service by aiding taxpayers into receiving fraudulent refunds. In order to secure larger income tax refunds, he would take legitimate W-2 forms from the taxpayers and alter the

amounts. If the taxpayer was unemployed, he would take their personal information and create a false Form W-2, using fictitious wages and withholdings.

Acting United States Attorney Terrence Berg said, "Fabricating phony W-2 forms in order to generate undeserved tax refunds defrauds the U.S. treasury and is unfair to those tax payers who pay their fair share."

At the IRS, protecting taxpayer money is a matter we treat with extreme seriousness," said Aouate. "No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them."

According to court records, Gregory directed the taxpayers to a legitimate tax preparation service, in some cases, paying an individual to provide transportation for them. The taxpayers provided the false documents to the return preparers. Once a tax return was completed, it was electronically transmitted to the IRS. At the same time, the taxpayer would apply, through the tax preparation service, for a "refund anticipation loan" (RAL). Usually within days of the electronic filing of the tax returns, a disbursement check from the RAL would be issued and the loan proceeds split between the taxpayer and Gregory. In some cases, Gregory charged \$1,500 for his services and provided referral fees to individual who brought other taxpayers into the scheme.

According to court records and the Internal Revenue Service, Gregory was identified as having caused the filing of 36 false tax returns, claiming refunds of approximately \$187,667. While most of the claims were detected by the IRS, Gregory did succeed in obtaining over \$26,000 in fraudulent refunds.

Gregory's girlfriend, Nnenna Okey, 34, of Detroit, Michigan, was also charged in a superseding information with a misdemeanor count of mailing a false W-2 to the IRS. During the scheme, Gregory directed her to occasionally pick up the taxpayers and transport them to the tax return preparer's office. She was also directed to pick up money for Gregory. On July 9, 2008, she was sentenced to 12 months' probation and ordered to pay restitution of \$9,004 to the Internal Revenue Service.

The case was investigated by special agents of the Internal Revenue Service Criminal

Investigation Division. The case is being prosecuted by Assistant U.S. Attorney Richard L. Delonis.